

Tax Credit Accountability Report



June 2010

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Introduction

In 2004, the legislature passed the “Tax Credit Accountability Act”. The statute, RSMo 620.017.4., requires that the Department of Economic Development prepare an annual report regarding all economic incentives administered in the previous calendar year and submit the report to the Governor, President Pro Tem of the Senate, and the Speaker of the House of Representatives.

The annual report must include the following information:

- The distribution of economic incentives by type and public purpose. In the statute, RSMo 135.800, all tax credits are grouped into a category, or type, based on their public purpose. This section of the report reflects the distribution of incentives by those categories, which are as follows:
 - Agricultural
 - Environmental
 - Entrepreneurial
 - Domestic and Social
 - Housing
 - Redevelopment
 - Training and Education
 - Business Recruitment
 - Community Development
- The total amount of economic incentives awarded by industry. All incentives issued to organizations or businesses are broken down by North American Industry Classification System (NAICS) Codes.
- The distribution of economic incentives by the size of all business recipients. All incentives issued to businesses only are broken down by business size categories of less than 100 employees, 100-500 employees, and greater than 500 employees.
- A reporting of any legal action taken by the department or the state with any parties which have failed to comply with a contract or agreement pursuant to this section.

All economic incentives are reported by the amount that has been issued to the taxpayer in the calendar year. Issuance of a tax credit indicates that the Department of Economic Development has determined it meets eligibility criteria and has proof that the organization or company has met the program requirements. Tax credits are issued using a certificate which may be attached to a state tax filing for redemption through the Department of Revenue.

The information is collected through the application and review process. RSMo 135.802 requires that all applications include:

- Name, address, contact and phone number for the applicant.
- Taxpayer type
- Standard industry code (The NAICS system has replaced the Standard Industry Code system for identifying industries at the federal level.)
- Program name and type of any other tax credits (state or federal) that are being utilized for the same activity or project.

DED Incentives Reported by Category

January 1, 2009 to December 31, 2009

Category Type and Program	Total Amount Issued in CY 2009
Agricultural	
Wine and Grape	\$ 160,934
Missouri Rural Economic Stimulus Act	\$ -
Total Agricultural	\$ 160,934
Environmental	
Charcoal Producers	\$ -
Total Environmental	\$ -
Entrepreneurial	
Loan Guarantee Fee	\$ -
Certified Capital Companies	\$ -
Business Incubator	\$ 212,333
Urban Enterprise Loan	\$ 345,000
Seed Capital	\$ -
Capital SBIC	\$ -
New Enterprise Creation	\$ -
Research	\$ -
Total Entrepreneurial	\$ 557,333
Domestic and Social	
Youth Opportunities Program	\$ 4,447,854
Total Domestic and Social	\$ 4,447,854
Housing*	
Neighborhood Preservation	\$ 7,109,426
Total Housing	\$ 7,109,426
Redevelopment	
Brownfield Remediation	\$ 19,991,951
Brownfield Jobs and Investment	\$ 1,888,094
Brownfield Demolition	\$ -
Historic Preservation	\$ 104,901,960
Community Development Corporation Grant	\$ -
Community Bank	\$ -
State Tax Increment Financing	\$ 7,979,861
MODESA	\$ 77,539
Downtown Preservation	\$ -
Total Redevelopment	\$ 134,839,405
Training and Education	
New Jobs Training Program	\$ 1,673,824
Retained Jobs Training Program	\$ 9,272,396
Customized Training Program	\$ 8,276,968
Total Training and Education	\$ 19,223,188

DED Incentives Reported by Category Continued

January 1, 2009 to December 31, 2009

Business Recruitment

Business Facility	\$ 4,476,501
Enhanced Enterprise Zone	\$ 3,242,053
Enterprise Zone	\$ 6,365,537
Development Tax Credit	\$ 2,736,828
Rebuilding Communities	\$ 1,290,447
Film Production	\$ 4,886,079
Missouri Quality Jobs	\$ 15,159,060
Total Business Recruitment	\$ 38,156,505

Community Development

Transportation Development	\$ -
Neighborhood Assistance	\$ 10,632,059
Family Development Account	\$ 31,250
Dry Fire Hydrant	\$ -
Total Community Development	\$ 10,663,309

TOTAL—ALL DED STATE INCENTIVES

\$ 215,157,954

*By Statute, this report does not include Low-Income Housing Tax Credits.

DED Incentives Reported by Industry*

January 1, 2009 to December 31, 2009

NAICS	Description	Amount
11	Agriculture, forestry, fishing and hunting	\$ 45,100
21	Mining	\$ 14,936
22	Utilities	\$ -
23	Construction	\$ 46,214,034
31-33	Manufacturing	\$ 12,364,880
42	Wholesale Trade	\$ 371,112
44-45	Retail Trade	\$ 61,946
48-49	Transportation	\$ 1,533,271
51	Information	\$ 3,622,291
52	Finance and Insurance	\$ 4,224,006
53	Real Estate and rental and leasing	\$ 66,476,703
54	Professional and technical services	\$ 8,050,739
55	Management of companies and enterprises	\$ 7,955,769
56	Administrative and waste services	\$ 461,930
61	Educational services	\$ 1,136,151
62	Health care and social assistance	\$ 10,070,048
71	Arts, entertainment, and recreation	\$ 6,891,592
72	Accomodation and food services	\$ 12,603,933
81	Other services, except public administration	\$ 2,188,148
92	Public Administration	\$ 1,349,674
	Unclassified	\$ 1,869,691
GRAND TOTAL		\$ 187,505,954

* Industries are represented by standard North American Industry Classification System (NAICS) codes.

**** Note: Benefits issued to individuals or community colleges or units of government are not considered in this report.**

DED Incentives Reported by Business Size

January 1, 2009 to December 31, 2009

Business Size	Less than 100	100-500	>500
Wine and Grape (Businesses Only)	\$ 148,056	\$ -	\$ -
Charcoal Producers	\$ -	\$ -	\$ -
Loan Guarantee Fee	\$ -	\$ -	\$ -
Certified Capital Companies	\$ -	\$ -	\$ -
Business Incubator	\$ 212,333	\$ -	\$ -
Urban Enterprise Loan	\$ 345,000	\$ -	\$ -
Seed Capital	\$ -	\$ -	\$ -
Capital SBIC	\$ -	\$ -	\$ -
New Enterprise Creation	\$ -	\$ -	\$ -
Research	\$ -	\$ -	\$ -
Youth Opportunities Program	\$ 3,136,820	\$ 1,276,649	\$ 34,385
Neighborhood Preservation (Developers Only)	\$ 7,035,846	\$ 73,580	\$ -
Brownfield Remediation	\$ 10,755,772	\$ 4,119,051	\$ 3,767,454
Brownfield Jobs and Investment	\$ 161,381	\$ 233,521	\$ 1,493,192
Brownfield Demolition	\$ -	\$ -	\$ -
Historic Preservation (Developers Only)	\$ 103,935,771	\$ 966,189	\$ -
Community Bank	\$ -	\$ -	\$ -
Business Facility	\$ 232,284	\$ 134,791	\$ 4,109,426
Enhanced Enterprise Zone	\$ 1,137,788	\$ 1,516,760	\$ 587,505
Enterprise Zone	\$ 143,648	\$ -	\$ 6,221,889
Development Tax Credit	\$ 136,828	\$ 600,000	\$ 2,000,000
Rebuilding Communities	\$ 919,034	\$ -	\$ -
Film Production	\$ 495,331	\$ 259,737	\$ 4,131,011
Missouri Quality Jobs	\$ 2,352,345	\$ 3,419,115	\$ 9,387,600
Transportation Development	\$ -	\$ -	\$ -
Neighborhood Assistance	\$ 8,018,249	\$ 2,256,104	\$ 357,706
Family Development Account	\$ 31,000	\$ 250	\$ -
TOTALS	\$ 139,197,486	\$ 14,855,747	\$ 32,090,168

Note: Benefits issued to individuals, community colleges or units of government are not considered in this report.

2009 Legal Actions

Actions are based on entities failure to comply with an incentive contract or agreement.

1. The Department did not initiate any legal actions in 2009 based on an entities' failure to comply with an incentive contract or agreement.